

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, January 9, 2012, 4:30 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor Dennis Phillips

Alderman Valerie Joh

Alderman Benjamin K. Mallicote

Alderman Mike McIntire

Vice-Mayor Tom C. Parham

Alderman Tom Segelhorst

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:35 p.m. by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Angie Marshall.
3. **WORK SESSION TICKLER.** Public Works Director Ryan McReynolds gave an update on the Netherland Inn Round-about, stating the technical report had been received from the lab and was being reviewed by a geo-technical firm. He further stated there was definitely suspect materials and that the issues went beyond vibration problems to include durability and mixing issues. The Mayor asked about the practicality of the red brick stamping and Mr. McReynolds stated that although certain places may turn black from tire marks, he recommended leaving it as a connector to the Riverwalk Project.

Assistant to the City Manager Chris McCartt gave an update on the Aquatic Center, noting everything was going well and the site was progressing better than anticipated. Mayor Phillips requested that Frank Brewer make a monthly report to the Board on this project. Mr. McCartt stated that would not be problem, noting Mr. Brewer was very knowledgeable and thorough.

Alderman Segelhorst provided information on the progress of the Winery at Meadowview and the expected timeline for completion. He stated the golf equipment would be stored in a temporary building nearby for now, with a permanent building scheduled to be in place by July 1, 2012. He further noted that Mr. Reedy had the federal permit already in hand and is expected to be ready for state inspection by February 28, 2012.

Alderman Mallicote gave a brief update on the status of the Meadowview Management Agreement renewal. He stated they have been working and meeting continuously to reach a conclusion. He noted that some requests aren't possible because of state law. Mr. Mallicote also stated the intention is to meet with Marriott's attorneys in a couple of weeks. MeadowView Assistant General Manager Mark Eversole further noted they are striving to meet the January 31st deadline and in response to questions from Mayor Phillips, he pointed out the differences between a typical contract and the Qualified Management Agreement they are currently working on.

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Alderman Segelhorst asked for an update on the Clinchfield lot property that is being purchased by Diane Clayton. City Manager Campbell stated that the closing was scheduled for Wednesday.

4. NESCC UPDATE PRESENTATION. Ms. Janice Gilliam provided information on this item, noting that Mr. Jeff McCord will be leading the Academic Village at Kingsport starting on January 17, 2012. She further noted a significant increase in enrollment in the last four years.

Note: *The next item (2011 Audit Review) was discussed, out of order, after Item 7 (Multi-Hazard Alert System) to accommodate citizens in the audience.*

5. 2011 AUDIT REVIEW. Alderman Mallicote gave an update on this item, stating the City had received an unqualified opinion and commended staff. He stated this was the eleventh year we had received a certificate of excellence in financial reporting and the third year of preparing our own financial statements. Mr. Mallicote further noted the major issues that were noted involved water loss and appraisals of real property. City Recorder Demming and Chad Kisner from Blackburn, Childers and Steagall also commented on this item. Public Works Director Ryan McReynolds explained the State's definition of water loss and provided statistics showing that the unaccounted water in Kingsport is still within the National Accepted Standards. He further mentioned existing programs to combat this issue as well as steps to take in the future.

6. FARMERS MARKET PHASE 2. Assistant to the City Manager Chris McCartt provided information on this item, discussing the next two planned phases for this project. Phase 2 will consist of adding critical elements such as sprinklers, heat, restrooms and flooring and is expected to be complete before the farmers return in late April. Mr. McCartt noted that Phase 3 would finish the building and set up for the carousel by adding a connector. The third phase is expected to be complete by the end of summer. There was considerable discussion regarding the plans for phase 2 and the Board decided to double the number of planned restrooms. Mayor Phillips asked Mr. McCartt what was being asked from the Board and was informed the first thing is to approve the budget ordinance on the agenda and the second thing would be to approve a design services contract to be presented at the next business meeting. It was also noted that half a million dollars is expected to be raised to refurbish the carousel frame and construct the building to house it in.

7. MULTI-HAZARD ALERT SYSTEM. Mayor Phillips noted this item stemmed from the tornadoes that hit the Kingsport region last spring. A committee was formed to look at the best way to notify citizens on weather related or industrial emergencies. Mr. Larry Holloway presented information on different emergency siren options. He noted that the new sirens were electrical with a battery back-up instead of mechanical which would eliminate the need for testing. The purpose of the sirens is to let citizens know to seek information from whatever source is available to them such as television, radio or internet. Discussion followed on which option would be more appropriate and/or cost effective. Mayor Phillips asked the committee to come back to the Board at a later time with a bottom line recommendation, noting that the hospitals should also be included in the planning process.

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8. REVIEW OF AGENDA ITEMS ON THE JANUARY 10, 2012 REGULAR BUSINESS MEETING AGENDA. City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

VI.AA.1 Public Hearing and Consideration of an Ordinance to Amend Zoning of Parcel 098.01 on Tax Map 078 Located along Airport Parkway and Jericho Drive from TA Zoning to B-3 Zoning (AF: 4-2012). City Planner Jason Meredith commented on this item, noting this was at the request of the property owner and is in accordance with the City's Land Use plan. At the December meeting, the Planning Commission voted unanimously to send a positive recommendation in favor of this rezoning.

VI.AA.2 Public Hearing and Consideration of Ordinances to Annex/Amend Zoning of the Kendrick Creek Part B Annexation and Consideration of a Resolution Adopting the Plan of Services (AF: 1-2012). City Planner Ken Weems provided details on this item, noting this property was part of the Border Region zone. The Planning Commission voted unanimously to send a positive recommendation regarding this item.

VI.B.1 Consideration of an Ordinance to Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2011 (AF: 13-2012). City Manager Campbell gave a brief update on this item. Alderman McIntire stated he was not happy about some of the things that were listed, including the Main Street property and the money for storm water. Mr. McIntire further stated he felt we borrowed more money than we really needed. Mayor Phillips commented it was the Board's obligation to let the City Manager know their expectations regarding future bond sales.

VI.D.2 Consideration of a Resolution Authorizing the Mayor to Sign All Necessary Documents and Execute an Agreement with BB&T-KDC Insurance Services, Inc., for the City's Property Insurance (AF: 3-2012). City Manager Campbell provided information on this item noting that we will be switching to a local carrier and will save almost \$20,000. Risk Manager Terri Evans also answered questions from the Board.

VI.D.3 Consideration of a Resolution Authorizing the Mayor to Sign All Necessary Documents to Renew Worker's Compensation Reinsurance Coverage through Safety National Insurance (AF: 7-2012). City Manager Campbell gave details on this item noting there was an increase this year. Alderman Segelhorst pointed out that we are paying for employee injuries and the best solution is to not hurt people at work. Some discussion ensued over higher risk positions that have already been eliminated, noting the new recycle program should also reduce injuries. City Attorney Billingsley noted that there are also over 1,200 employees within the school system that contribute to work injury numbers, mainly slip and fall incidents.

VI.D.5 Consideration of a Resolution Authorizing the Mayor to Sign All Applicable Documents Necessary and Proper Regarding the Settlement Agreement Between the City of Kingsport and Ward's Feed Store (AF: 11-2012). Assistant to the City Manager Chris McCartt provided details on this item, noting that after a long process, an agreement was finally reached around Christmas. He stated the agreement gives the City

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the property on Industry Drive at the new round-about and also the feed store property on Revere Street, which is part of the master plan for the Academic Village. The Wards will receive the property where the old Jack's restaurant is located, plus some additional land for on-site parking. Mr. McCartt further stated that the funding would be split between the Riverwalk Project and the Higher Education Center, noting the number one priority was to keep this business open in Kingsport. Vice-Mayor Parham pointed out this was a fourth generation business and good for Kingsport.

VI.D.6 Consideration of a Resolution Approving Settlement of a Condemnation Action, Acquisition of Certain Real Property and Authorizing the Mayor to Execute All Documents to Effectuate the Acquisition (AF: 12-2012). City Attorney Billingsley provided information on the history of this property, noting it is near the Hillcrest water tank. He further noted the reasoning behind the condemnation was for an easement for underground improvements. The property owner has contested the amount paid by the city years ago, citing a different and higher appraisal amount. After conducting an appraisal of our own, Mr. Billingsley stated an agreed price of \$7,500 has been reached by both parties. Designated Alderman Joh also concurs with this action.

VI.D.7 Consideration of a Resolution Awarding the Bid for the Gibson Mill Road Phase 4 Project to Thomas Construction Co., Inc. and Authorize the Mayor to Execute All Applicable Documents (AF: 5-2012). Mayor Phillips commented that this was a lot of money for only one bid. Public Works Director Ryan McReynolds explained there were four companies on the pre-bid, however, due to other substantial competitive projects that have come up in the area, they were unable to commit for the bid. City Manager Campbell pointed out that since the bid was under estimate, we do not have to rebid. There was some discussion on procedures when there is only one bid and Procurement Manager Sandy Crawford discussed the rules that are followed as set out in the Code of Ordinances.

VI.D.9 Consideration of a Resolution Authorizing the Mayor to Sign All Necessary Documents to Make Recommended Changes to Benefits on the City of Kingsport Self-Funded Health Insurance Plan Effective January 1, 2012 (AF: 17-2012). City Manager Campbell and Risk Manager Terri Evans gave details on this item and answered questions from the Board.

BOARD COMMENT. Vice-Mayor Parham commented on a recent article that stated Kingsport had one of the lowest average incomes in the state. Assistant City Manager for Development Jeff Fleming clarified that this was referring to a weekly wage, noting that according to the Bureau of Labor Statistics we are actually the third highest out of 19 areas listed with the lowest unemployment rate. Community and Government Relations Director Tim Whaley pointed out that our metropolitan area includes Bristol and southwest Virginia.


Mayor Phillips commented on a letter to the editor about a water meter and the citizen's concern with the City's practice. Public Works Director Ryan McReynolds stated this issue has been addressed. The Mayor suggested public relations training for employees who take the initial complaints in the water department, noting the customer is not always wrong.

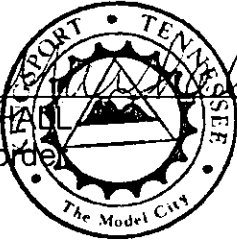
PUBLIC COMMENT. Ms. Barbara Brown asked about the status of a safety hazard that was reported earlier regarding a cell tower with no lights near Sullivan Street and Lomax

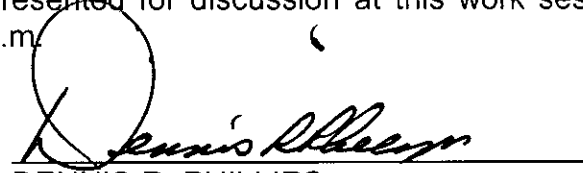
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Street. Mayor Phillips stated that the Federal Aviation Administration, Verizon and the property owner have all been notified. The Mayor asked City Attorney Billingsley if he would also send a letter to the FAA.

9. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 7:15 p.m.


ANGELA MARSHALL
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor